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FISCAL IMPACT STATEMENT

LS 6492

BILL NUMBER: SB 131

NOTE PREPARED: Feb 28, 2012

BILL AMENDED: Feb 23, 2012

SUBJECT: Environmental Matters.

FIRST AUTHOR: Sen. Gard

FIRST SPONSOR: Rep. Wolkins

BILL STATUS: As Passed House

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Definitions:* This bill defines "program year" as a calendar year for certain electronic waste programs. It establishes program year dates for certain recycling goals. It includes tire disposal as a "waste tire processing operation".

Septage Management Vehicle Identification: The bill removes certain requirements for a septage management vehicle identification. It allows the Department of Environmental Management (IDEM) to issue a septage management permit that incorporates approval of a land application site.

Requirements for IDEM: The bill requires IDEM to include restrictive covenants on a property transfer disclosure form. It requires IDEM to: (1) provide information on a property's restrictive covenants; and (2) include environmental defects on a property transfer disclosure form. The bill requires IDEM to provide solid waste management districts (SWMDs) with a curriculum model that includes educational core principles concerning: (1) the reuse, recycling, and collection of mercury; and (2) the reuse, recycling, collection, and proper disposal of solid waste.

Clean Manufacturing Technology Board: The bill abolishes the Clean Manufacturing Technology Board.

Solid Waste Management District Issues: The bill provides that SWMDs must implement educational programs that meet the minimum standards established by IDEM in the curriculum model. It specifies additional information that an SWMD must include in the annual report prepared by the district and provided to IDEM, the Department of Local Government Finance, and the Legislative Council. The bill also requires an SWMD to publish the report on an Internet web site maintained by the district or on the Internet web sites

maintained by the counties that are members of the district.

Interim Study Committee Topics: It provides that, in 2015 and every fifth year thereafter, the Legislative Council must require an interim study committee or a statutory study committee to: (1) assess SWMDs; and (2) determine whether any changes should be made to the statutes governing districts. The bill requires the Commission on State Tax and Financing Policy to study issues related to the financing of SWMDs during the 2012 interim. It requires the Environmental Quality Service Council (EQSC) to study issues concerning the powers of SWMDs to: (1) establish and issue permits that are not specifically authorized by a statute; and (2) impose and collect fees that are not specifically authorized by a statute; during the 2012 interim.

Miscellaneous: The bill establishes certain waste source reduction goals. It requires the holder of an incinerator permit to notify IDEM and appropriate local government officials about certain contaminant effects from incineration exceeding control levels of an air pollution control permit. It exempts a manufacturer of tires that keeps 5,000 waste tires or less in an enclosed structure from certain registration provisions. It exempts a person that obtains a certificate of registration from having to obtain a solid waste processing facility permit: (1) for activities covered under the registration; or (2) if the person stores or processes waste tires in a facility according to certain regulations. It excludes a waste tire amnesty day sponsored by a local government from certain registration requirements. It allows disposal of waste tires by: (1) delivery to a facility that retreads tires; (2) delivery to a facility that is registered as a storage site or processing operation; or (3) collection by a registered transporter. It provides that waste tire transporters may not design their own manifest form. The bill also requires from a recycler a list of collectors from which the recycler received covered electronic devices.

Repealed Provisions: The bill repeals provisions pertaining to: (1) waste exchange; (2) solid and hazardous waste materials exchange; (3) waste incineration; and (4) waste tires.

Effective Date: (Amended) Upon passage; July 1, 2012.

Explanation of State Expenditures: *Septage Management Vehicle Identification:* Eliminating the requirements for IDEM to issue vehicle identification numbers for vehicles used in septage management services could result in savings to IDEM. IDEM does not charge a fee for this service, but it costs the agency about \$110,000 a year to inspect about 900 septage hauler trucks.

(Revised) *Requirements for IDEM:* This bill requires IDEM to provide information on a property's restrictive covenants and to include restrictive covenants and environmental defects on a property transfer disclosure form. The bill also requires IDEM to produce an annual report on the state of the environment. In addition, the bill requires IDEM to develop a curriculum model for SWMDs to implement educational programs. IDEM should be able to implement these requirements within their existing resources.

Clean Manufacturing Technology Board: This bill abolishes the Clean Manufacturing Technology Board and transfers all powers, duties, assets, and liabilities to IDEM. Abolishing the board should have minimal, if any, fiscal impact because the board has not met since at least 2005. Statute provides that the board has 13 members, 11 of whom are appointed by the Governor. Two members, the Commissioner of IDEM and the Chair of the Indiana Economic Development Corporation Board, are ex officio members. Board members may be reimbursed for travel and other expenses incurred as a result of their service.

(Revised) *Interim Study Committee Topics:* The bill provides that, in 2015 and every fifth year thereafter, the

Legislative Council must require an interim study committee or a statutory study committee to: (1) assess SWMDs; and (2) determine whether any changes should be made to the statutes governing districts. The bill requires that the Commission on State Tax and Financing Policy study issues related to the financing of SWMDs during the 2012 interim. In addition, this bill requires that the EQSC study issues concerning the powers of SWMDs during the 2012 interim.

If the study committees were to have any extra meetings to address these topics, there would be additional expenditures for legislator per diem and travel reimbursement for the committee members. Any additional expenditures must be within the committees' budgets.

Miscellaneous: These provisions are not expected to have a fiscal impact.

Repealed Provisions: Repealed provisions will have no fiscal impact.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) *SWMD Issues:* The bill requires the SWMDs to implement educational programs that meet the minimum standards established by IDEM. SWMDs currently provide educational programs, but they vary by district. Any impact will depend upon the extent that the IDEM standards differ from the current educational programs provided by the SWMDs.

The bill also requires SWMDs to report certain financial and program information annually to IDEM, the DLGF, and the Legislative Council. The reports are to be published on the districts' or counties' web sites.

Explanation of Local Revenues:

State Agencies Affected: IDEM; Legislative Council.

Local Agencies Affected: Solid waste management districts.

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